

## Message Text

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ACTION EUR-25

INFO OCT-01 NEA-10 IO-14 ISO-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01

H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00

SAJ-01 PA-04 PRS-01 USIA-15 FRB-02 AGR-20 ACDA-19

EPA-04 CEQ-02 HEW-08 DOTE-00 HUD-02 FAA-00 SIL-01

LAB-06 DRC-01 /263 W

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R 291317Z MAR 74

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 341

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY LISBON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

USMISSION NATO BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

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E.O. 11652: GDS

TAGS: PFOR, ENRG, US, BE, EEC  
SUBJECT: BELGIUM--QUARTERLY TRENDS REPORT

REF: BRUSSELS 7449 NOTAL

GENEVA AND VIENNA FOR USDELS

1. SUMMARY: DOMINANT CONCERNS IN BELGIUM CENTER INTERNALLY ON THE FORMATION OF A NEW GOVERNMENT AND EXTERNALLY ON PROBLEMS OF EUROPEAN UNIFICATION AND ATLANTIC COHESION. THE CENTRAL DOMESTIC POLITICAL QUESTION TO BE RESOLVED IN THE NEXT QUARTER IS WHETHER THE NEW GOVERNMENT COALITION WILL BE A MAJORITY GOVERNMENT WITH SOCIAL CHRISTIAN (CVP-PSC) AND SOCIALIST PARTY (PSB) PARTICIPATION, OR A SOCIAL-CHRISTIAN MINORITY GOVERNMENT WITHOUT THE SOCIALISTS. IN FOREIGN POLICY, THE MAIN BELGIAN PREOCCUPATIONS WILL BE: --TO END THE POLITICAL DISARRAY IN THE COMMUNITY AND TO MOVE FORWARD AGAIN TOWARD ECONOMIC AND MONETARY UNION; --TO CONCERT BELGIAN INTERESTS AND POLICIES WITH THE EC RESPONSE TO AN UNEXPECTEDLY SHARP AMERICAN CHALLENGE THAT HAS SHAKEN THE COMFORTABLE ASSUMPTIONS OF THE PAST ABOUT THE ADEQUACIES OF EUROPEAN ATTITUDES TOWARD AND PROCEDURES FOR US/EC CONSULTATION AND COOPERATION. ON THE ECONOMIC FRONT, THE CENTRAL ISSUES, ARISING FROM THE ENERGY CRISIS, ARE THOSE OF PETROLEUM PRICE RISES AND THE FUTURE CHARACTER OF GOVERNMENT'S RELATIONS WITH THE PETROLEUM INDUSTRY, UNDER SOCIALIST AND TRADE UNION PRESSURES FOR STRONGER GOVERNMENT CONTROL, STATE PARTICIPATION AND AN INCREASED ROLE FOR WORKERS.

2. BELGIAN OFFICIAL AND POPULAR THINKING SHOWS A DISPOSITION TO ACCEPT NEW SOLUTIONS, BUT PREFERABLY SOLUTIONS THAT ARE NOT OF A MARKEDLY RADICAL CHARACTER. THE BELGIAN PERFORMANCE IN THE WASHINGTON ENERGY CONFERENCE AND ITS FOLLOW-UP ENERGY COORDINATING GROUP CHAIRED BY AMBASSADOR OCKRENT TESTIFY TO A BELGIAN READINESS TO BE CONSTRUCTIVE, EVEN AT THE EXPENSE OF WHAT FOR BELGIUM WAS A RENDING BREAK WITH FRANCE. NEVERTHELESS, OFFICIAL AND PUBLIC OPINION TEND TO SEE THE ENERGY CRISIS AND THE US/EUROPEAN SHOWDOWN ON

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CONSULTATIONS AS CHALLENGES TO CONSTRUCTIVE EFFORT, BUT NOT AS CLEAR AND PRESENT DANGERS REQUIRING RADICAL STEPS OR SACRIFICE. END SUMMARY.

3. GOVERNMENT FORMATION. THE OUTCOME OF THE CURRENT INTERPARTY POKER GAME OVER FORMATION OF THE NEXT GOVERNMENT WILL DEPEND CHIEFLY ON THE RESULTS OF A TEST OF STRENGTH AMONG PERSONALITIES AND FACTIONS WITHIN THE

SOCIALIST PARTY. THE STRUGGLE WILL BE BETWEEN THOSE WHO SEE PARTY INTERESTS BEST SERVED BY RESPONSIBLE PARTICIPATION IN A GOVERNMENT THAT FORMULATES AND EXECUTES POLICY WITH VERY LIMITED PARLIAMENTARY CONTROL, AND THOSE WHO THINK THE PARTY CAN BEST BE STRENGTHENED BY SPENDING A PERIOD IN THERAPEUTIC OPPOSITION, THE BETTER TO ACQUIRE A MORE RADICAL IDEOLOGICAL IMAGE (CHIEFLY WITH RESPECT TO INCREASING THE ROLE OF GOVERNMENT IN KEY SECTORS OF THE ECONOMY).

4. "RADICAL" IS A WORD TO BE TAKEN IN THE CONTEXT OF A BELGIAN POLITICAL-SOCIAL SYSTEM DEEPLY INBUED WITH SYMPATHY FOR FREE ENTERPRISE. IN THE NATIONAL ELECTIONS OF MARCH 10, THE BELGIAN POPULATION CLEARLY DEMONSTRATED ITS CENTRIST STABILITY, ITS REJECTION OF RADICAL EXTREMES, AND A PREFERENCE FOR SEEING INNOVATION IN THE FIELD OF REGIONALIZATION AND FEDERALISM CARRIED OUT NOT BY LINGUISTIC PARTIES BUT BY WELL-ESTABLISHED PARTIES WITH TRADITIONAL POSITIONS ON ECONOMIC AND SOCIAL ISSUES.

5. PETROLEUM PRICE CONTROVERSY. THE BELGIAN PETROLEUM INDUSTRY, THE GOVERNMENT, THE POLITICAL PARTIES, AND THE TRADE UNIONS CONTINUE TO MAUL EACH OTHER, ESPECIALLY OVER THE PROBLEM OF GOVERNMENT-FIXED RETAIL PETROLEUM PRICES. THE ARGUMENT, OSTENSIBLY, IS OVER INDUSTRY'S REQUEST TO INCREASE PRICES TO REFLECT RECENT INCREASES IN COST OF CRUDE, BUT THE ISSUE ALSO REFLECTS A LONG STANDING DEBATE OVER THE CHARACTER OF GOVERNMENT-INDUSTRY RELATIONS. ALL BELGIAN REFINERIES (INCLUDING THREE AMERICAN) WERE CLOSED IN LATE MARCH AND ATTEMPTS TO WORK OUT A COMPROMISE WERE UNDER WAY. WE EXPECT THESE COMPROMISE EFFORTS TO BE SUCCESSFUL IN THE SHORT RUN (NEXT QUARTER) BUT THEY ARE UNLIKELY TO RESOLVE BASIC ISSUES. FAILURE TO RESOLVE  
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ISSUES WOULD HAVE TWO IMPLICATIONS:

--PETROLEUM COMPANIES WOULD CONSIDER DIVERTING INVESTMENT AND MARKETING PROGRAMS AWAY FROM BELGIUM WHICH HAS HITHERTO PLAYED CENTRAL ROLE IN INDUSTRY PLANNING FOR NORTHWESTERN EUROPE;

--GOVERNMENT COMMITMENT TO BUILD A STATE-OWNED REFINERY  
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8. COINCIDENTALLY, BUT SIGNIFICANTLY, WHEN FRG PRESIDENT HEINEMANN PAID HIS STATE VISIT TO BRUSSELS IN LATE MARCH, IT WAS THE FIRST VISIT BY A GERMAN HEAD OF STATE TO BRUSSELS SINCE 1910. BEHIND SCENES, BELGIANS ARE UNEASY OVER EVENTS THAT SEEM TO FORCE BELGIUM INTO A GERMAN ORBIT AND AWAY FROM FRANCE. US POLICIES OR ACTIONS THAT SEEM BASED ON SPECIAL US TIES WITH INNER GROUPS (E.G. BONN- LONDON-WASHINGTON TRILATERALISM) ARE DEPLORED IN BELGIUM AS EASILY EXPLOIT- ABLE BY THE FRENCH IN THEIR RELATIONS WITH THE "EXCLUDED".

9. MIDDLE EAST. BELGIANS DEFEND THE EC-9 DECISION TO BUILD A NEW FRAMEWORK FOR RELATIONS BETWEEN THE NINE AND THE ARAB STATES. PROFESSING PUZZLEMENT OVER US OBJECTIONS TO THE EC-NINE INITIATIVE THEY SEE AS HARMLESS WINDOW-DRESSING, THEY WILL DO THEIR UTMOST TO AVOID IMPLEMENTING THE EC-NINE DECISIONS IN A WAY THAT COULD JEOPARDIZE US PEACE-MAKING EFFORTS IN THE MIDDLE EAST OR UNDERMINE THE WORK GOING FORWARD UNDER THE ENERGY COORDINATING GROUP. THE BELGIANS WILL FAVOR A CERTAIN AMOUNT OF FOOT-DRAGGING BY THE EC-NINE SO AS TO DELAY REACHING A POINT AT WHICH A MEETING OF EC-NINE AND ARAB FOREIGN MINISTERS WOULD BE REQUIRED.

10. BELGIAN-EUROPEAN COMMUNITY RELATIONS. THE BELGIAN GOVERNMENT IS DEEPLY CONCERNED ABOUT STAGNATION IN THE DRIVE FOR EUROPEAN UNIFICATION AND ABOUT GROWING DIVISIONS BETWEEN EC MEMBERS IN IMPORTANT POLICY AREAS, E.G. REGIONAL POLICY AND ENERGY. BELGIUM WOULD BE LOATH TO LOSE THE FALL-OUT BENEFITS IT DERIVES FROM THE EXISTING AGRICULTURAL POLICY OF THE EC. EUROPEAN UNIFICATION REMAINS A HIGH PRIORITY GOAL OF BELGIAN POLICY. WE MAY EXPECT TO SEE BOG'S COMMUNITY POLICY EFFORTS IN THE NEXT SEVERAL MONTHS DEVOTED TO HEALING BREACHES AND NARROWING DIFFERENCES OF OPINION ON THE OUTSTANDING ISSUES, EACH OF WHICH IS LESS IMPORTANT TO BELGIUM THAN ASSURING CONTINUED PROGRESS IN INTERGRATION.

11. CSCE. LABORING UNDER THEIR SENSE OF A HISTORIC BURDEN OF BELGIUM'S CENTRAL ROLE IN SEEKING DETENTE WITH THE EAST, THE BELGIANS WILL WORK TO PREVENT ANY MAJOR CONFRONTATION IN GENEVA THAT THREATENS TO  
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BREAK OFF OR PRECLUDE AN AMICABLE CONCLUSION OF THE TALKS THIS SUMMER. AGAINST THE BETTER JUDGMENT OF FOREIGN OFFICER PROFESSIONALS, BELGIUM IS LIABLE TO ACCEPT COMPROMISES, EVEN IN THE HUMAN CONTACTS AREA, IF REQUIRED IN THE NAME OF CONTINUED EAST-WEST HARMONY. WHILE THE PROFESSIONALS WILL PROBABLY RESIST ENDING CSCE WITH A SUMMIT CONFERENCE, WE SHOULD NOT DISCOUNT THE POSSIBILITY THAT A NEW PREMIER MIGHT BE TEMPTED TO FAVOR ATTENDING A SUMMIT IN ORDER TO ESTABLISH HIS PEACE-LOVING CREDENTIALS AT HOME AND ABOARD.

12. MBFR. BELGIUM WILL NOT BE INCLINED TO PUSH NEW INITIATIVES IN VIENNA, AND APPEARS CONTENT TO LET THE UNITED STATES CALL THE SHOTS DURING THE CURRENT NEGOTIATIONS STAGE. THE BELGIANS WILL CONTINUE TO RESIST INCLUSION OF BELGIAN OR OTHER WESTERN EUROPEAN FORCES IN PHASE ONE REDUCTIONS. THEY WILL OPPOSE ANY FORMULA

FOR PHASE TWO REDUCTIONS THAT DOES NOT ALLOW THE WEST  
EUROPEANS FULL FREEDOM TO DECIDE ON THE SOURCE OF THEIR  
COMMON REDUCTIONS. BELGIUM MAY BEGIN TO PRESS ALLIES  
ON THE NEED TO INCLUDE NUCLEAR ELEMENTS IN PHASE I IN  
ORDER TO EASE SOVIET ACCEPTANCE OF THE WESTERN TWO-  
PHASE, COMMON CEILING FRAMEWORK.

13. NATO. BELGIANS WILL REMAIN DISPOSED TO PLAY  
A ROLE HELPFUL TO THE UNITED STATES ON NATO ISSUES  
OF CURRENT INTEREST, SUCH AS BURDEN-SHARING AND  
SPECIALIZATION/RATIONALIZATION. HOWEVER, GIVEN THEIR LIMITED  
RESOURCES AND THEIR EXPECTATIONS THAT A DECREASE IN  
THE RATE OF GROWTH OF GNP WILL HAVE ITS EFFECT ON  
DEFENSE SPENDING, BELGIAN FINANCIAL SUPPORT OF US GOALS IN  
NATO MAY PROVE TO BE LESS SATISFACTORY THAN THEIR STRONG  
MORAL SUPPORT WE CAN EXPECT  
TO HAVE THE CONTINUED COOPERATION OF THE BELGIANS  
IN CCMS, PARTICULARLY WITH THE PROSPECT OF MAJOR  
PARTICIPATION IN A STUDY ON AIR POLLUTION MODELING  
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## Message Attributes

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**Disposition Approved on Date:**  
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